

RESOLUTION NO.

WHEREAS, a July 2020, survey by the Hobby School of Public Affairs found that live-music ~~and~~ venues, arts venues, restaurants ~~and~~ bars are the Austin businesses most vulnerable and susceptible to permanent closure; and

WHEREAS, according to an August 17, 2020, memo from City Staff, the pandemic has exacerbated the significant need for, inequitable access to, and the destabilizing of the existing fragile childcare sector. An estimated 50% of childcare programs nationwide are at risk of going out of business due to COVID-19; and

WHEREAS, childcare should be viewed as important infrastructure for our community and will be necessary for our city to recover from the pandemic. High quality childcare that is accessible to everyone in our community helps the economy by enabling parents to receive training and to participate in the workforce; and

WHEREAS, in Austin, our creative spaces and places for social gathering are also important civic infrastructure and help define our city's character and brand; and

WHEREAS, due to this importance, the city has already allocated directly and indirectly some funding to these sectors and their workers during the pandemic as previously directed through Council Resolutions 20200326-091, 20200326-088, 20200409-086, 20200423-040, 20200507-023, 20200521-095, 20200521-096, and 2020-0604-040; and

WHEREAS, city staff and stakeholders have identified additional funding needed to help these sectors survive during this time, together with the people, entities, and businesses working in them; and

WHEREAS, pursuant to prior direction from City Council and according to an August 28, 2020 memo to Mayor and Council, city staff will be posting all necessary documents for the formation of the Austin Economic Development Corporation (AEDC) for consideration on the October 1, 2020 Council agenda; and

WHEREAS, the Austin post-pandemic economy is predicted to experience a “K-Shaped” recovery, where some individuals and industries, with higher income workers, are advantaged with a more quick and complete recovery and growth and for others, disproportionately with disadvantaged workers of lower incomes, a slower and longer term recovery with greater hardship is predicted. The childcare, live-music venue, arts venue, restaurant/bar industries are among the industries first detrimentally impacted by the pandemic and are anticipated to among the last to recover; and

WHEREAS, the health and vibrancy of these sectors are important to Austin and are a priority in sustaining our quality of life and our economic recovery efforts; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL IN THE CITY OF AUSTIN:

City Manager is directed to broadly explore and identify funding options to provide financial and equivalent assistance to support the sustainability of the most vulnerable and

at-risk live music ~~and~~ venues, arts venues, restaurants, ~~/bars~~, and childcare services. The City Manager is to explore and identify all available public and private funding options, including local, state, and federal sources, non-profit and philanthropic, and to consider legal limitations, impact on relevant financial policies, and the opportunity costs associated with each option. This exploration and identification of funding options should include, but not be limited to, the following listed sources. The Council wants to understand the associated possibilities, legalities and practicalities to be better able to consider employing one or more of the following options:

- Additional Federal assistance;
- State assistance;
- County assistance;
- General Fund Reserves;
- Certificates of Obligation;
- Contractual Obligations;
- Sales or other tax revenue;
- Convention Center reserves, interest or other earned funding;
- Other departmental funds, programs, services, or capital projects approved in the Fiscal Year 20-21, or prior budgets, as appropriate, that might be re-prioritized, postponed, financed or accomplished thru alternate or outside funding; and

- Property tax abatements and/or payment plans.

The City Manager shall also identify the minimum funding, loans and/or abatements needed to have a significant impact on maintaining these sectors for our community.

BE IT FURTHER RESOLVED:

The City Manager is directed to explore and identify additional ways that the city can provide support to these sectors ~~in addition to the funding and financing options addressed above.~~ and businesses within these sectors in addition to the funding and financing options addressed above. These may include, but not be limited to, revising the Chapter 380 program to expand its application, fee and permit waivers and reductions, administrative changes to lower or eliminate operational costs, and facilitating commercial tenant stabilization, protection or assistance programs that provide support associated with evictions, leases workouts and mediations, and support or education concerning seeking bankruptcy or other financial protections, including but not limited to by coordinating with or otherwise supporting organizations able to do this work.

BE IT FURTHER RESOLVED:

The City Manager is directed to begin now to plan for the distribution of any federal, ~~state~~ or ~~state~~other funding that might become available and directed by City Council for the most vulnerable and critical in these sectors so that assistance may be quickly administered and distributed, directly or through an economic development corporation

80 or otherwise. The City Manager is directed to evaluate and make a recommendation on
81 utilizing industry-specific funds, such as a program or programs dedicated solely to
82 childcare or live music venues, etc... It is recognized that there will not be enough
83 resources to help address all the identified need, so prioritizations will need to be set based
84 on where resources can most effectively and efficiently be applied to those most in danger
85 of failing and whose failure would have the greatest detrimental impact on the city's civic
86 infrastructure, economic recovery and preservation of its culture, character and brand.

87 **BE IT FURTHER RESOLVED:**

88 —These As a part of the City Manager's exploration of funding options, the benefit
89 should be considered and the City Manager shall provide Council with a proposal to direct
90 all or most of the Fiscal Year 2019-2020 sales tax revenues that exceed budget projections
91 to the Austin Economic Development Corporation (AEDC) for the purposes set out in this
92 resolution.

93 Consideration should be given to having the AEDC immediately begin its work by
94 helping with the survival goals of this resolution and focusing on the particular industries
95 and businesses that meet, without limitation, the following kinds of criteria:

- 96 • an assisted business would be one that faces a substantial likelihood of closing
97 permanently absent assistance;

- assistance provided will significantly contribute to helping reasonably ensure that the business will not fail for at least a sufficient period of time to help provide a path to recovery;
- the selected recipients of assistance represent the greatest multiplier effect – where funding is helping not only the chosen entity’s survival, but also supporting workers, customers, industries, and the City’s brand and culture;
- the survival of the assisted businesses, to the greatest extent possible, will help people with low and middle-incomes anticipated to be disadvantaged in a “K-shaped” recovery; and,
- the selected recipients of assistance should be those whose failure and loss would have the greatest detrimental impact on the city’s civic infrastructure, economic recovery and preservation of its culture, character and brand.

BE IT FURTHER RESOLVED:

The funding and relief options and recommendations shall be presented to Council at a work session (special called if necessary) as soon as ready but no later than September 29, 2020.

116 The AEDC proposal shall be placed on the October 1, 2020 Council meeting with
117 the following, and any similar kinds of elements, able to be considered for council
118 approval if it will facilitate the goals of this resolution:

- 119 • authorization of needed outside counsel or consultants to get remaining
120 documentation drafted or executed quickly or for any other purpose;
- 121 • an interim governance structure and appointments;
- 122 • an interim staffing plan for the AEDC;
- 123 • any remaining documentation or authorizations required of Council for the AEDC
124 to quickly establish itself and begin relief efforts set forth in this resolution.

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127 **ADOPTED:** _____, 2020

ATTEST: _____

Jannette S. Goodall
City Clerk